

## **Lowering LEA special education expenditures due to cost savings is not an exception to MOE**

With publication of the Budget Bill, we have received numerous questions about IDEA's MOE requirement (§ 34 CFR 300.204) to maintain its local special education fiscal effort. While there are exceptions to this regulation (see §§ 300.204 and 300.205), there is no exception for a reduction in costs for staff benefits. This was addressed in 2006 by the U.S. Department of Education in its comments:

*"Nothing in the Act permits an exception for negotiated reductions in staff salaries or benefits...." (71 Fed. Reg. 46624, August 14, 2006)*

Because we understand the potential impact of this interpretation on a significant number of LEAs, we are pursuing further clarification with the Department of Education on this issue. We will share information as it becomes available. In the meantime, LEAs should continue to operate under current IDEA regulations that do not permit an MOE exception in this circumstance.